



City of Chicago



SO2017-3906

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 5/24/2017

Sponsor(s): Emanuel (Mayor)
Brookins (21)
Cardenas (12)
Lopez (15)
Scott, Jr. (24)
Ervin (28)
Taliaferro (29)

Type: Ordinance

Title: Amendment of Municipal Code Section 2-45-115 by
modifying affordable requirements pertaining to Public
Safety Officers Home Buyer Assistance Program

Committee(s) Assignment: Committee on Housing and Real Estate

O R D I N A N C E – as Amended

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City, by prior ordinances, had established various incentive programs to provide down-payment and/or closing cost assistance to City of Chicago police officers, firefighters and paramedics, to encourage the rebuilding of designated City neighborhoods (the "Prior Programs"); and

WHEREAS, the City has determined that continued housing purchase assistance to Chicago public safety officers is necessary, essential and appropriate to encourage the rebuilding of certain City neighborhoods and to enhance other revitalization efforts already under way in those neighborhoods; and

WHEREAS, the City, building on the successes of the Prior Programs, now desires to establish a new Public Safety Officers Home Buyer Assistance Program (the "Program"), by and through its Department of Planning and Development ("DPD"), that offers forgivable, no-interest loans to qualifying City police officers, firefighters and paramedics, to assist in their purchase of primary, owner-occupied residences that are located within specific police districts and census tracts within the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Program, as set forth in Exhibit A attached hereto and made a part hereof, is hereby authorized.

SECTION 3. Subject to the approval of the Corporation Counsel, and subject to the appropriation of funding, the Commissioner of DPD (the "Commissioner") and a designee of the Commissioner are each hereby authorized to execute and deliver loan agreements and mortgages to borrowers who qualify under the Program for the purpose of financing the purchase of property that qualifies under the Program, and to execute all such other agreements and instruments, including subordinations of the City mortgages to later re-financings, and to perform any and all acts as shall be necessary or advisable in connection with the Program.

SECTION 4. The Program neither imposes any additional duties to be performed, nor grants any rights to additional remuneration or benefits, by or to Chicago employees by virtue of their participation as borrowers under the Program.

SECTION 5. The Program is an Eligible Program, and employees of the City who qualify for participation in the Program are Eligible Persons, as such terms are defined in Section 2-45-130 of the Municipal Code of Chicago (the "Municipal Code").

SECTION 6. Section 2-45-115(G)(1) of the Municipal Code is hereby amended by the addition of the underlined clause:

2-45-115 2015 affordable requirements.

(Omitted text is not affected by this ordinance)

fifty percent (50%) shall be used for the construction, rehabilitation or preservation of affordable housing or may be used in connection with such other housing programs as shall be specifically approved by the City Council for such revenues; and

(Omitted text is not affected by this ordinance)

SECTION 7. The amount of \$3,000,000 is hereby appropriated for Program purposes from the Affordable Housing Opportunity Fund, as such term is defined in Section 2-45-115(G) of the Municipal Code.

SECTION 8. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 9. This ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least five copies hereof, which copies are to be made available in her office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

SECTION 10. This ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided herein.

Exhibit A

Public Safety Officers Home Buyer Assistance Program

General Description:

The Program provides forgivable, no-interest loans to qualifying City police officers, firefighters and paramedics, to assist in their purchase of primary, owner-occupied residences that are located within specific police districts and census tracts within the City.

Eligible Participant:

Both (1) and (2) must be met:

(1) Any employee of the City who is:

- a non-probationary full-time sworn police officer in good standing for at least one year prior to the date of the Loan, or
- a non-probationary full-time sworn member of the Fire Department in good standing for at least one year prior to the date of the Loan, or
- a non-probationary full time Emergency Medical Technician/Paramedic with the Chicago Fire Department in good standing for at least one year prior to the date of the Loan; and

(2) whose household income does not exceed 150% of the median household income for the Chicago Primary Metropolitan Statistical Area.

Eligible Locations:

The Eligible Property must be located within one of the eligible police districts and census tracts, all as set forth on Exhibit B attached hereto.

Eligible Property Type:

The Property must be a residential building containing not more than two dwelling units that serves as the primary residence of record of the Eligible Participant during the Term of the Loan.

Loan underwriting terms:

- | | |
|-----------------|--|
| Loan amount: | \$30,000 per Eligible Property |
| Borrowers: | More than one Eligible Participant allowed on a given Note, but not more than one Note per Eligible Property |
| Eligible costs: | Any of the following costs, paid to others, in connection with the purchase by Eligible Participant of the Eligible Property: down payment, title insurance, credit reports, recording fees, appraisals, |

points, transfer stamps, water certification settlement fees, third party property inspection fees, first year's pre-payment of mortgage insurance, pre-paid interest and such other costs as approved by DPD

Cash out: Not permitted for the Term

Buyer's equity: None required.

Loan to value: The appraised value of the Eligible Property, at the time of closing of the Loan, must exceed the sum of (i) the face value of the Note and (ii) the amount of all other loans made in connection with the Eligible Property during the Term

Other loans: The Eligible Participant must be both the borrower on the Note and the named borrower on all other loans made in connection with the Eligible Property during the Term

Termination date: 10 years from the date of the Note

Interest: Zero percent per annum

Mortgage: Junior mortgage to the senior purchase mortgage, or to any replacement senior purchase mortgage undertaken during the Term of the Loan

Subordination: Permitted, only to any replacement senior purchase mortgage undertaken during the Term of the Loan

Amount Forgiven: \$3,000, on each anniversary of the date of the Note, provided that the Eligible Property continues to serve as the primary or principal dwelling of record of at least one Eligible Participant and the Eligible Participant continues to be an Eligible Participant as defined above

Exhibit B

Eligible Police Districts and Census Tracts

An Eligible Location must:

be located within one of these Chicago police districts:

6, 7, 9, 10, 11, 15

and

be located within one of the census tracts shown on the attached list

[see attached]

COMMUNITY AREA NAME	23 Humboldt Park	25 Austin	26 West Garfield Park	27 East Garfield Park	29 North Lawndale	30 South Lawndale	37 Fuller Park	44 Chatham	58 Brighton Park	61 New City	63 Gage Park	67 West Englewood	68 Englewood	71 Auburn Gresham
Census Tracts	231100	251000	260700	836800	841400	301100	835600	440300	580502	611500	835100	672000	681400	710600
Census Tracts	230600	251100	260800	271400	838700	840700	835500	440900	580700	611300	630100	670800	681200	710100
Census Tracts	836600	251300	260100	271200	292200	301702		440101	580600	843800	630400	670400	834800	710500
Census Tracts	836700	251400	260900	270500	841500	300800		440700	580400	610800	630200	671400	681000	710800
Census Tracts	842100	252201	260300	837000	843300	301803		440800	580300	611900	630500	670300	681300	711200
Census Tracts	231200	252202	260600	271300	292400	300700		440201	580200	612100		670100	681100	710700
Census Tracts	231500	251500	260400	836900	843000	301600		440202	580100	611800		671800	680900	710400
Census Tracts		251700	260200	837300	291200	301200		842400	842800	611200		670500	834600	711000
Census Tracts		251800	260500	271500	843400	300500		440102	580501	611600		671100	680500	710300
Census Tracts		251200	261000	271800	290900	840800		440600	580800	842600		670200	680600	710900
Census Tracts		251900		837100	291600	300900				611700		671900	834700	710200
Census Tracts		251600		837400	292500	301802				611100		670600		711500
Census Tracts		252102			841600	843500				612000		671200		711100
Census Tracts		252101			838600	841700				611000		671500		
Census Tracts		831400			843100	830500				610300		671600		
Census Tracts		252000				301801				611400		670700		
Census Tracts						301701				610400		671300		
Census Tracts						300600						670900		



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CITY OF CHICAGO**

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June 28, 2017

To the President and Members of the City Council:

Your Committee on Housing and Real Estate, for which a meeting was held on June 13, 2017, having had under consideration the ordinance introduced by Mayor Rahm Emanuel on May 24, 2017, this being the amendment to the Municipal Code of Chicago pertaining to the Public Safety Officers Home Buyer Assistance Program, begs leave to recommend that Your Honorable Body Approve said ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of all committee members present with no dissenting votes.

Respectfully submitted,

Joseph A. Moore, Chairman
Committee on Housing and Real Estate

